

COUNTY ADMINISTRATOR'S PROPOSED FY2017 - FY2026 CAPITAL IMPROVEMENT PROGRAM

Presentation to the Board of Supervisors
January 26, 2016

Agenda

- **County Administrator's Opening Remarks**
- **FY2017-FY2026 Project Highlights**
- **FY2017-FY2026 Additional Operating Impacts**
- **FY2017-FY2026 Funding Overview**
- **FY2017-FY2026 Debt Information**
- **Next Steps**

COUNTY ADMINISTRATOR'S OPENING REMARKS

Capital Improvement Program (CIP) Development

- **10-year CIP developed with an emphasis on maintaining existing County & Schools infrastructure**
- **Focus on multi-year fiscal planning through:**
 - Identification of ten years of projects
 - Identification of funding sources
 - Additional Operating Budget impacts
 - Projects not included in the 10-year plan
- **Improvement of the CIP document as a communications device**
 - Clear, concise, and consistent project descriptions
 - Individual project funding tables

FY 2017-FY2026 CIP Document Format

Capital Improvement Program
FY2017-FY2026



Internal Services

Human Resources and Payroll Modules

Department: Human Resources and Finance

Category: Replacement

Location: Countywide

Est. Useful Life: 15 years

Magisterial District: Countywide

Project Status: New

Financial Summary

	Total Cost	Through FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	Total FY17-FY26
Total Project Cost	1,510,000	0	10,000	500,000	500,000	500,000	0	0	0	0	0	0	1,510,000
Funding Sources													
Roanoke County - Unrestricted Cash	755,000	0	5,000	250,000	250,000	250,000	0	0	0	0	0	0	755,000
Transfer from Schools	755,000	0	5,000	250,000	250,000	250,000	0	0	0	0	0	0	755,000
Total Funding Sources	1,510,000	0	10,000	500,000	500,000	500,000	0	0	0	0	0	0	1,510,000
Operating Impacts	0	0	0	0	0	0	0	0	0	0	0	0	0



Project Summary:

This project, planned from FY 2017 to FY 2020, will replace the current Human Resources (HR) and Payroll modules utilized by the County of Roanoke, Roanoke County Schools, and the Western Virginia Regional Jail Authority. The current HR and payroll systems require compatibility with the new Integrated Financial System (IFS) set to go live July 2016. With all systems housed in the same software, processes will be more efficient for the County. Project costs are anticipated to be split 50/50 with Roanoke County Schools.

FY 2017-2026 CIP Document Format

Capital Improvement Program
FY2017-FY2026



Internal Services

Dynamics AX Human Resources and Payroll Modules (continued)

Project Description and Justification:

This project, planned from FY 2017 to FY 2020, will replace the current Human Resources (HR) and Payroll modules utilized by the County of Roanoke, Roanoke County Schools, and the Western Virginia Regional Jail Authority. The current HR and payroll systems require compatibility with the new Integrated Financial System (IFS) set to go live July 2016. With all systems housed in the same software, processes will be more efficient for the County. Project costs are anticipated to be split 50/50 with Roanoke County Schools. All infrastructure will be in place as a result of the IFS project which eliminates any hardware costs.

Additional Operating Impacts:

This project will have a minimal impact on the operating budget as the County already pays for licensing and maintenance on the existing software. Currently \$225,000 is being used for the cost of hosting the software which will no longer be necessary. Implementation of the Human Resources and Payroll modules will allow for the sharing of data and eliminate the need for system interfaces allowing for a more efficient, cost effective work environment.

Conformance with Plans, Policies, and Legal Obligations:

This project conforms with the Board of Supervisors stated mission to provide high quality delivery of services to the citizens of Roanoke County. It will provide daily support to the operations and functions of all County departments who provide effective and efficient governmental services to the citizens. It will allow County Administration to have real time financial data available which is instrumental in making informed decisions on how to enhance public health, safety, and/or welfare issues, protect our existing investment in facilities and infrastructure while anticipating future needs. It will also ensure the County complies with applicable state and federal mandates by providing the applicable financial data for reporting purposes.

Project Highlights and Key Milestones:

- The County has been using the current human resources and payroll software since 1999.
- Phase I of Integrated Financial System is currently underway, set to go live July 2016.
- Initial planning will begin in FY 2017, with implementation scheduled from 2018-2020.
- Costs are split 50/50 with Roanoke County Schools.

FY 2017 – FY 2026 CIP PROJECT HIGHLIGHTS

Capital Improvement Program 10-Year Program and Project Definition

- **10-year plan for the maintenance and construction of County and Schools infrastructure**
 - First year (FY 17) appropriated by the Board of Supervisors
 - Years 2-10 (FY 18-26) are a planning document
- **Capital Improvement Program updated annually**
- **Provide and plan for an effective level of service**
- **A capital project is defined as:**
 - Useful life of 5 year or more
 - Minimum cost of \$100,000
 - If funded by a bond issue, the useful life must be equal to or exceed the length of the bond

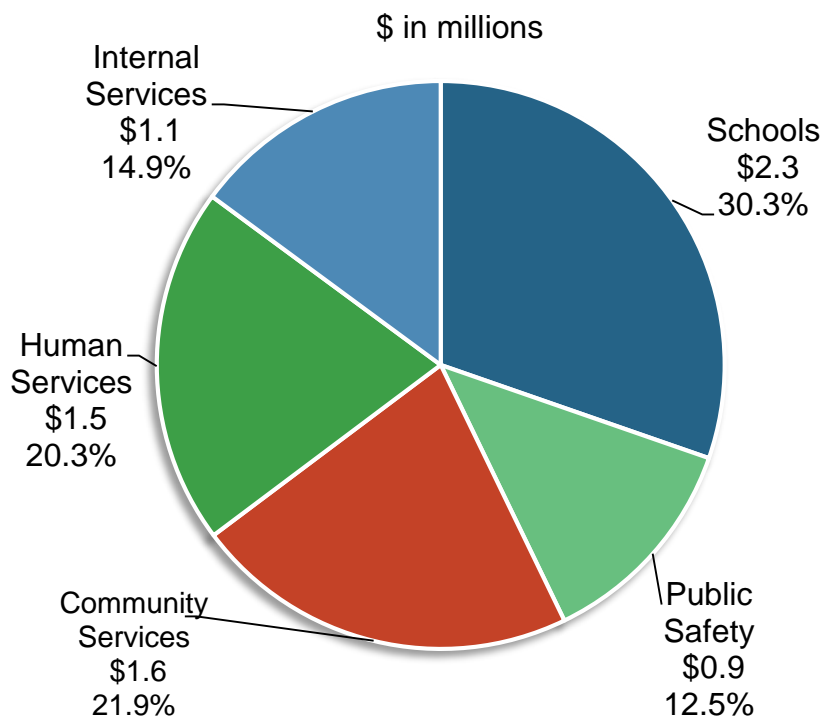
Capital Improvement Program Projects

Project Prioritization

- **Capital Maintenance - Protecting existing assets**
 - Annual funding streams for on-going maintenance (Sheriff's Office Capital Maintenance Program)
 - Replacement of infrastructure (Self-Contained Breathing Apparatus)
- **Leveraging outside (non-County) funding**
- **Community expectations**
- **Alternative service delivery**
- **“Nice-to-have” – prohibitive costs**
- *Future CIPs – Project prioritization can be linked to the County's Strategic Plan*

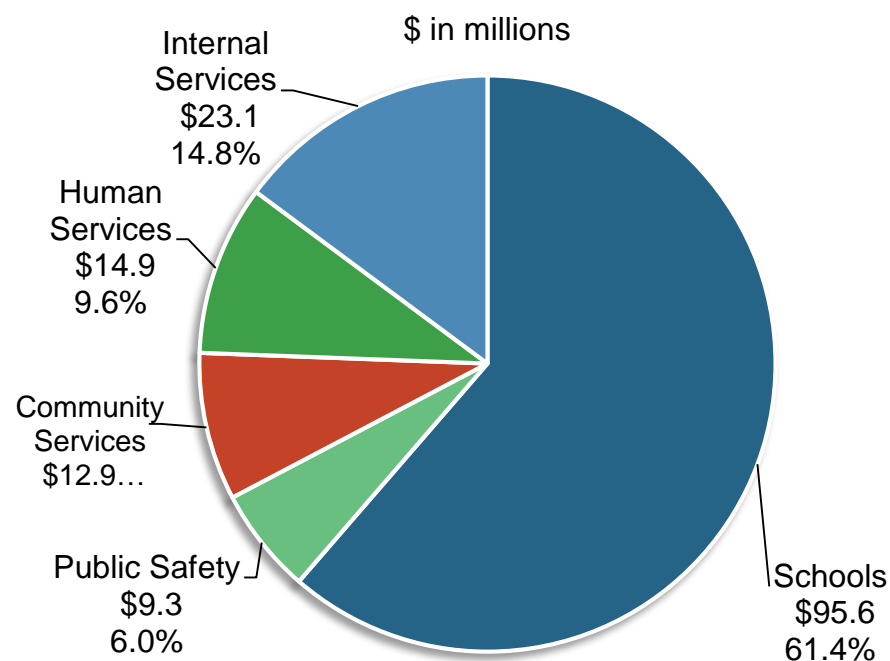
Capital Improvement Program (CIP) Project Overview

FY 2017 Only
Projects by Schools & Functional Team
\$7.4 million



Projects Funded From 100% Cash Sources

FY 2017 – FY 2026
Projects by Schools & Functional Team
\$155.8 million



Projects Funded From 42% Cash/58% Bond Sources

Capital Improvement Program Projects Roanoke County Public Schools

FY 17 - \$2.25M / FY 18-26 \$93.35M

Project Highlights Include:	FY 17	FY 18-26
Renovation and Modernization of Cave Spring High School	\$1.25M	\$28.75M
Capital Maintenance Program	\$1.0M	\$9.0M
Phase II Facility Assessment (Projects TBD)	---	\$55.6M

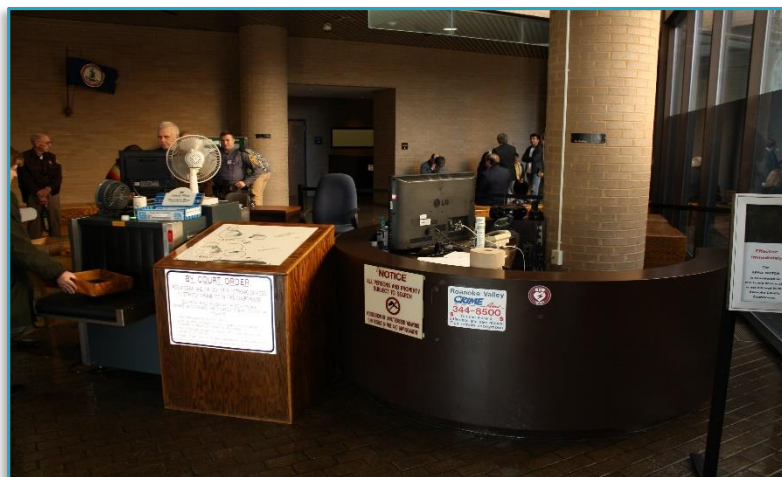


Capital Improvement Program Projects

Public Safety Functional Team

FY 17 - \$0.93M / FY 18-26 \$8.35M

Project Highlights Include:	FY 17	FY 18-26
Courthouse Security Upgrade	\$0.27M	---
Masons Cove Fire Station Renovation	\$0.25M	---
Circuit Court Renovations	\$0.12M	---
Self Contained Breathing Apparatus (SCBA)	---	\$1.8M
Public Safety Radio Replacement	---	\$3.6M



Capital Improvement Program Projects Community Services Functional Team

FY 17 - \$1.6M / FY 18-26 \$11.29M

Project Highlights Include:	FY 17	FY 18-26
*VDOT Revenue Sharing	\$0.5M	\$4.5M
*Lila Drive Completion	---	\$0.33M
Drainage Maintenance of Effort Projects	\$0.25M	\$2.35M
Vinton/William Byrd School Bus Lot	\$0.75M	\$0.93M

**Project funding also includes State funds not appropriated by the Board of Supervisors*



Capital Improvement Program Projects

Human Services Functional Team

FY 17 - \$1.51M / FY 18-26 \$13.39M

Project Highlights Include:	FY 17	FY 18-26
Parks & Recreation Capital Maintenance Program	\$0.71M	\$6.39M
Explore Park	\$0.8M	\$1.45M
Sports Field Lighting	---	\$2.49M



Capital Improvement Program Projects

Internal Services Functional Team

FY 17 - \$1.11M / FY 18-26 \$22.03M

Project Highlights Include:	FY 17	FY 18-26
General Services Capital Maintenance Program	\$0.8M	\$7.2M
Green Ridge Recreation Center Generator	\$0.05M	\$0.75M
Public Service Center Construction	\$0.05M	\$12.58M
Human Resource and Payroll Modules	\$0.01M	\$1.5M



Capital Improvement Program Projects

Projects not Included in 10-year Plan

Projects not funded include but not limited to:

Project	Estimated Cost
New Hanging Rock Fire Station	\$3.92M
New Oak Grove Fire Station	\$3.43M
Police/South County Substation	\$0.39M
Friendship Lane Reconstruction	\$2.32M
Plantation Road – Phase II	\$5.0M
*Hollins Branch Library	\$16.6M
Mt. Pleasant Branch Library	\$3.24M

**Hollins Branch Library has \$0.2 million in initial planning and design funding in FY 2026.*

FY 2017 – FY 2026 ADDITIONAL OPERATING BUDGET IMPACTS

Additional Operating Impacts

General Fund Transfer

- **A General Fund transfer of \$1.26M is planned in FY 2017 to support Capital Maintenance Programs**
- **Beginning in FY 2022, the transfer is increased by \$0.1M annually to \$1.76M in FY 2026**
- **Other cash sources including cash from the Capital Reserves, and Restricted cash sources are not consistent, recurring funding sources**
- **Future CIPs will address the General Fund cash transfer to the CIP as additional capital infrastructure needs are identified**

Additional Operating Impacts

Project Operating Impacts

- **The CIP impacts the Operating Budget through additional operating impacts at project completion**
- **As FY 2017 is primarily a “maintenance” budget, additional operating impacts will be limited, but may include:**
 - Additional costs with leachate management and discharge (\$50K)
 - Maintenance and operation of Courthouse Security upgrades (\$40K)
- **Operating impacts can also have a positive impact on the Operating Budget**
 - For example, energy efficiency projects could reduce utility costs
- **Each individual project page has an estimate of additional operating impacts where applicable**

A summary of all estimated additional operating impacts can be found in the Proposed CIP document

FY 2017 – FY 2026 FUNDING OVERVIEW

Capital Improvement Program (CIP)

Funding Overview

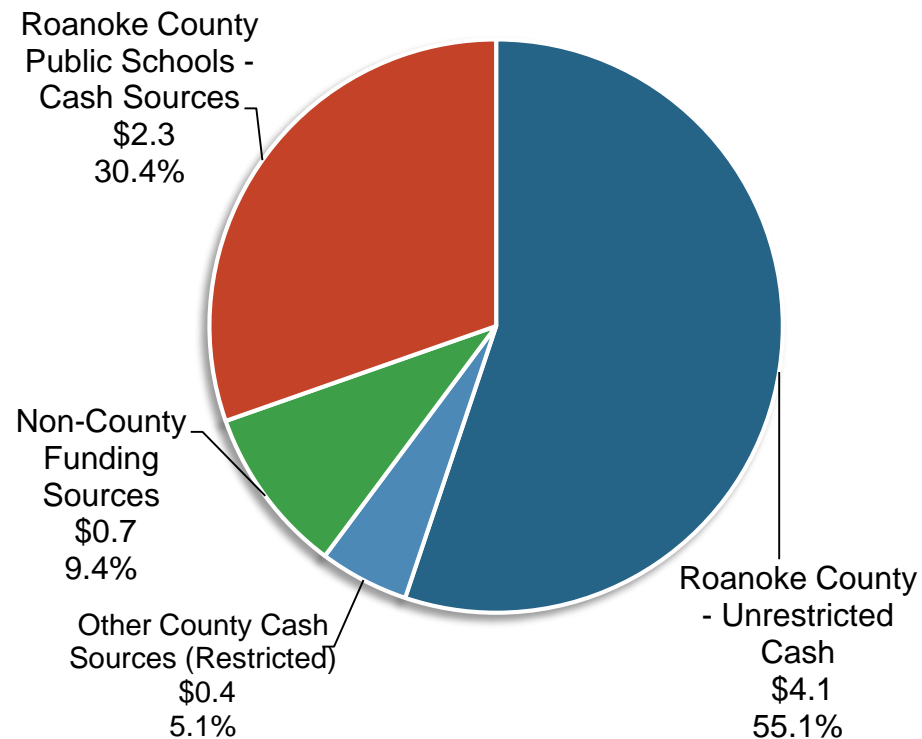
Capital Projects Funding Source	Description
Schools Cash	Cash from RCPS sources such as the Debt Fund and Capital Reserves
Schools VPSA Bonds	Virginia Public Schools Authority Bonds issued for major RCPS projects
Roanoke County Unrestricted Cash	Cash from County sources such as a General Fund Transfer, Debt Fund, Capital Reserves, sale of assets, project close-out, etc.
Roanoke County Restricted Cash	Cash sources restricted in their use from funds such as the Economic Development Fund and Communications/IT Fund
Non-County Funding Sources	Grants, Transfer from Schools, City of Salem, Private Capital Contributions
Lease/Revenue Bonds	Bonds issued and backed by the full faith and credit of the County for infrastructure investments

Additional summary detail on summary funding sources can be found in the proposed CIP document.

Capital Improvement Program (CIP) Funding Overview

**FY 2017 Only
Funding Sources
\$7.4 million**

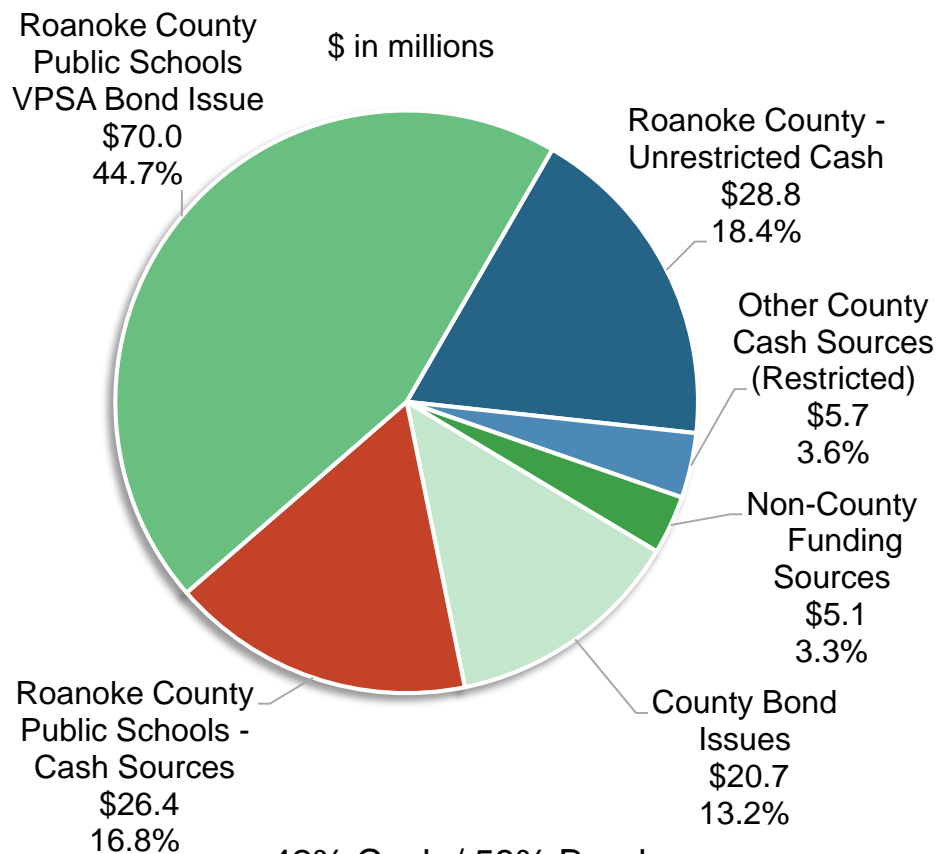
\$ in millions



100% Cash Sources

**FY 2017 – FY 2026
Funding Sources
\$156.6 million**

\$ in millions



42% Cash / 58% Bonds

DEBT INFORMATION

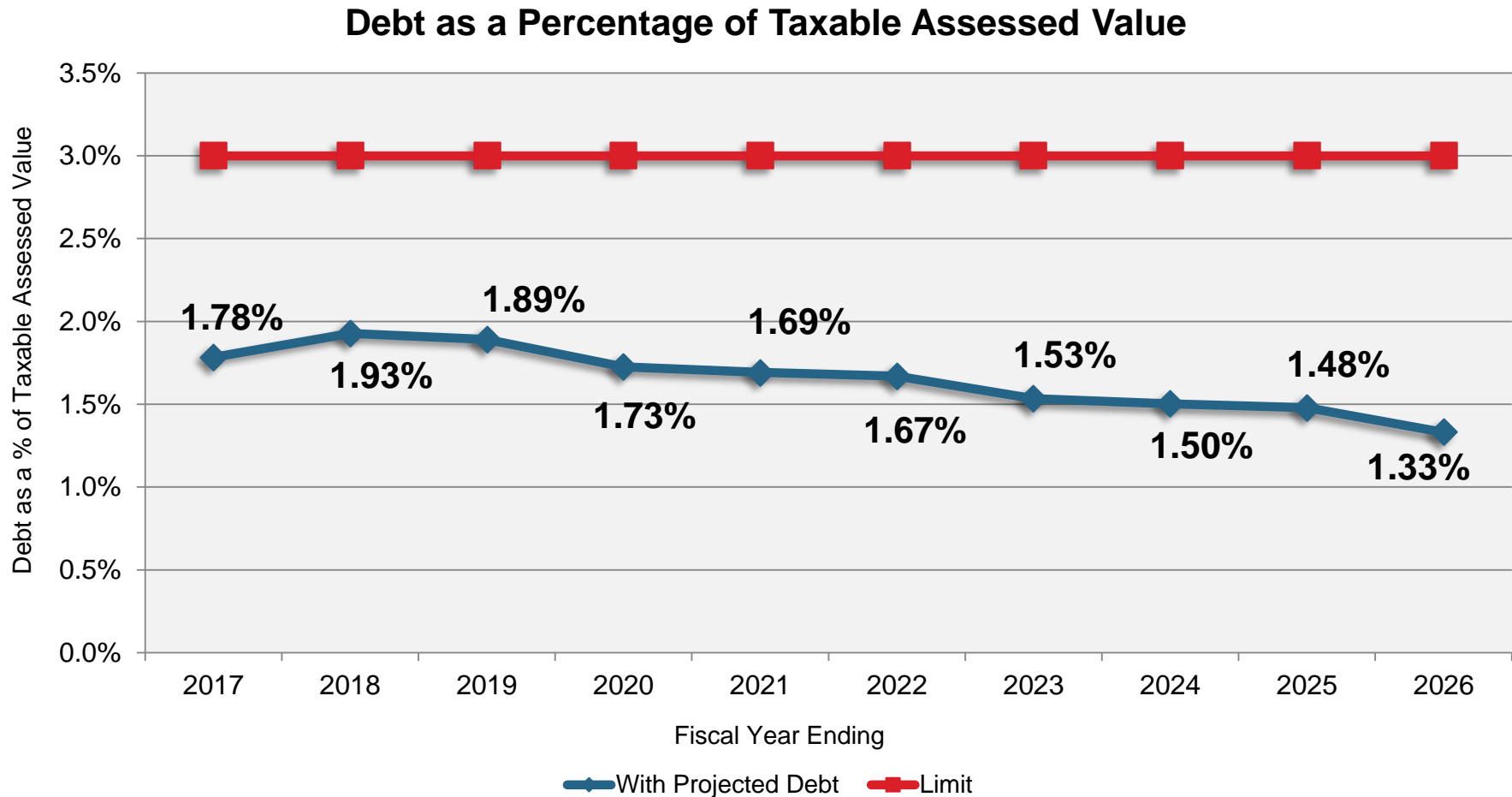
Proposed Capital Improvement Program

Debt Ratios

Board of Supervisors imposed debt ratios must be adhered to in each year of the balanced 10-year plan

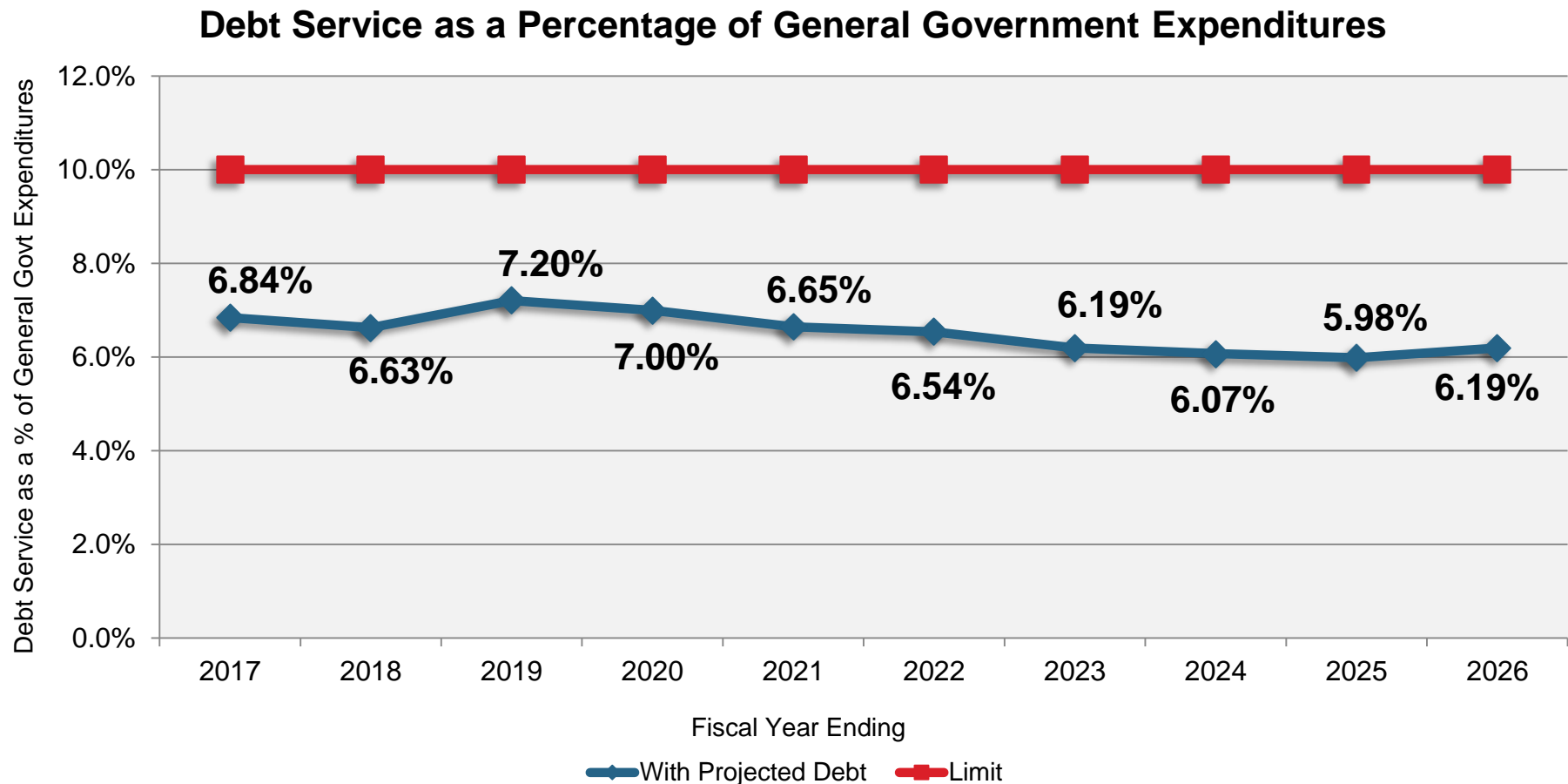
Policy	Limit	Actual and Projected Debt Ratios		
		FY15	FY16	FY17
Debt as a Percentage of Taxable Assessed Value	3.0%	2.06%	1.90%	1.78%
Debt Per Capita	\$2,500	\$2,014	\$1,878	\$1,744
Debt Service as a Percentage of General Government Expenditures	10.0%	7.14%	7.68%	6.84%

Debt as a Percentage of Taxable Assessed Value



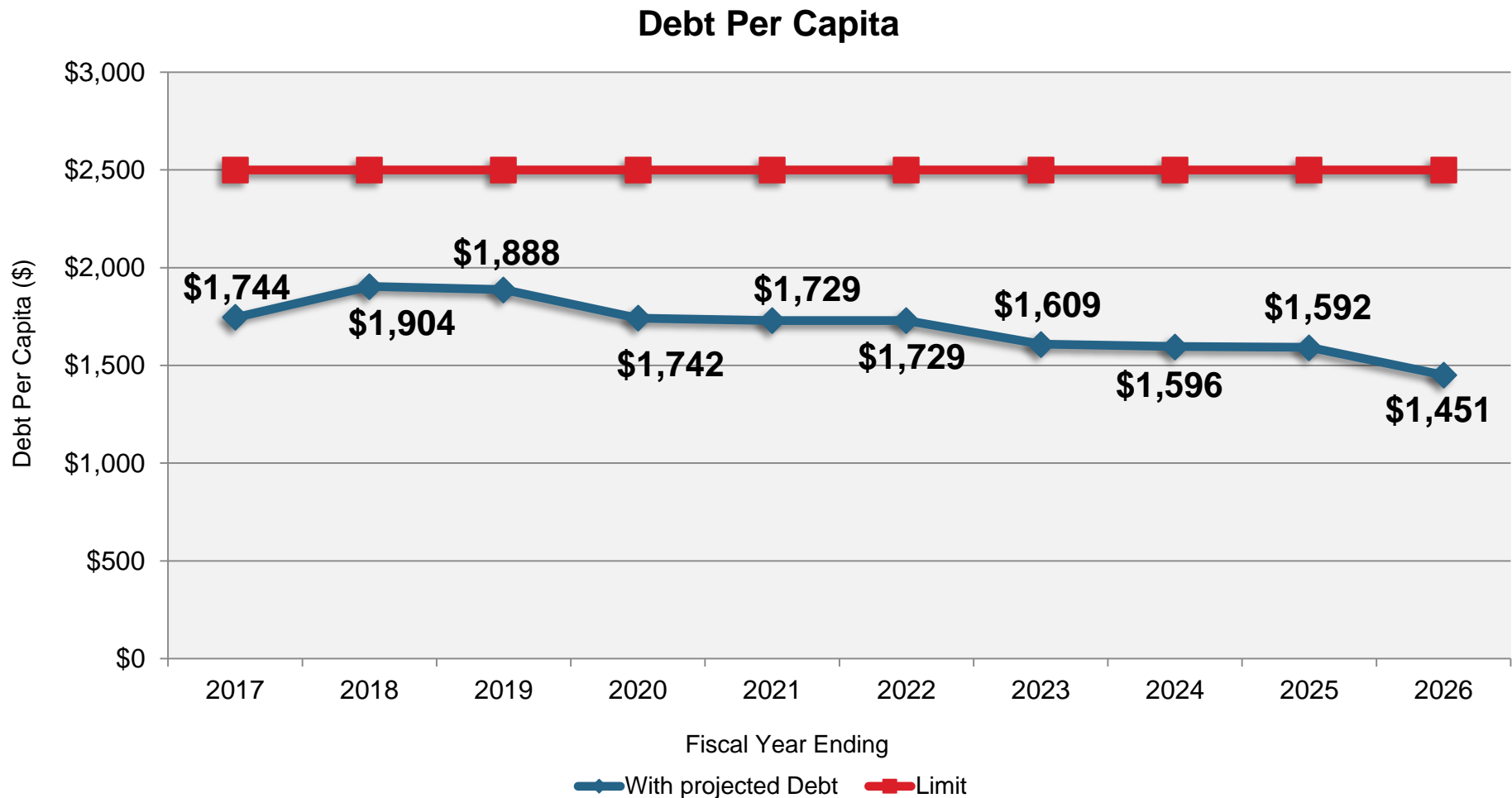
Debt as a percentage of taxable assessed value is the outstanding debt principal divided by the market value assessment of all real and personal property located in the County.

Debt Service as a Percentage of General Government Expenditures



Debt as a percentage of general government expenditures is calculated by taking the debt service (principal and interest) paid in a year divided by total general and school expenditures.

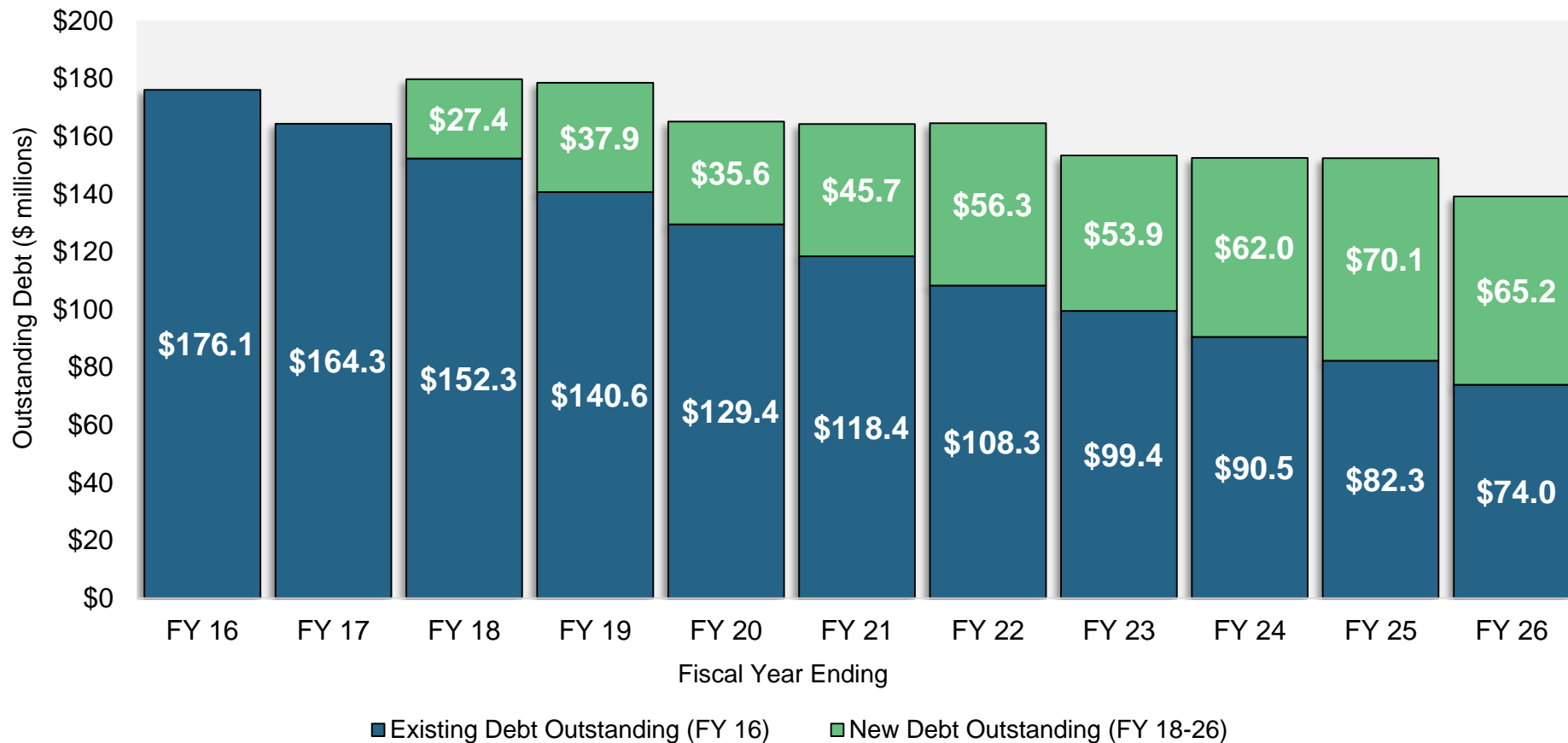
Outstanding Debt per Capita



Debt per capita is the total outstanding debt principal divided by the County's population.

Outstanding Debt

Existing and Projected Outstanding Debt FY 2017 - FY 2026



The above chart outlines the level of outstanding debt for both Roanoke County and Roanoke County Public Schools from FY 2016 through FY 2026 based on the assumed debt issuance in the FY 2017-2026 Capital Improvement Program.

Proposed Capital Improvement Program

Debt Ratio Comparisons

Comparative Jurisdictions

Debt Ratio	Roanoke County	Roanoke City	Lynchburg City	Hanover County
Debt as a % of Taxable Assessed Value Limit	3%	4%	4.5%	2.5%
Debt per Capita Limit	\$2,500	N/A	N/A	\$2,271
Debt Service as a % of General Government Expenditures Limit	10%	10%	N/A	10%

Proposed Capital Improvement Program

Debt Ratio Limits

Comparison to AAA Rated Localities

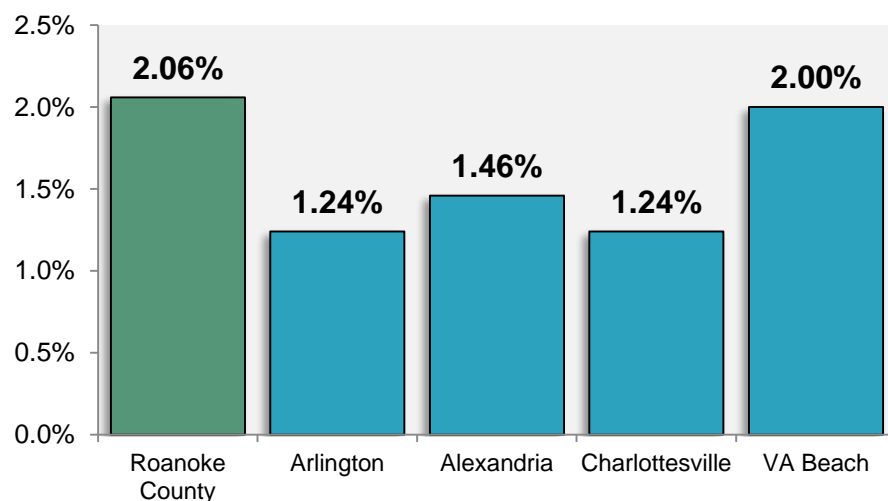
Debt Ratio	Roanoke County (AA+)	Arlington (AAA)	Alexandria (AAA)	Charlottesville (AAA)	Virginia Beach (AAA)
Debt as a % of Taxable Assessed Value Limit	3%	3%	1.6%	N/A	3.5%
<i>Taxable Assessed Value (in billions)</i>	\$9.13	\$72.24	\$38.54	\$5.70	\$56.02
Debt per Capita Limit	\$2,500	N/A	N/A	N/A	\$3,000
Debt Service as a % of General Government Expenditures Limit	10%	10%	10%	8%	10%

All information for each localities 2015 Comprehensive Annual Financial Report (CAFR)

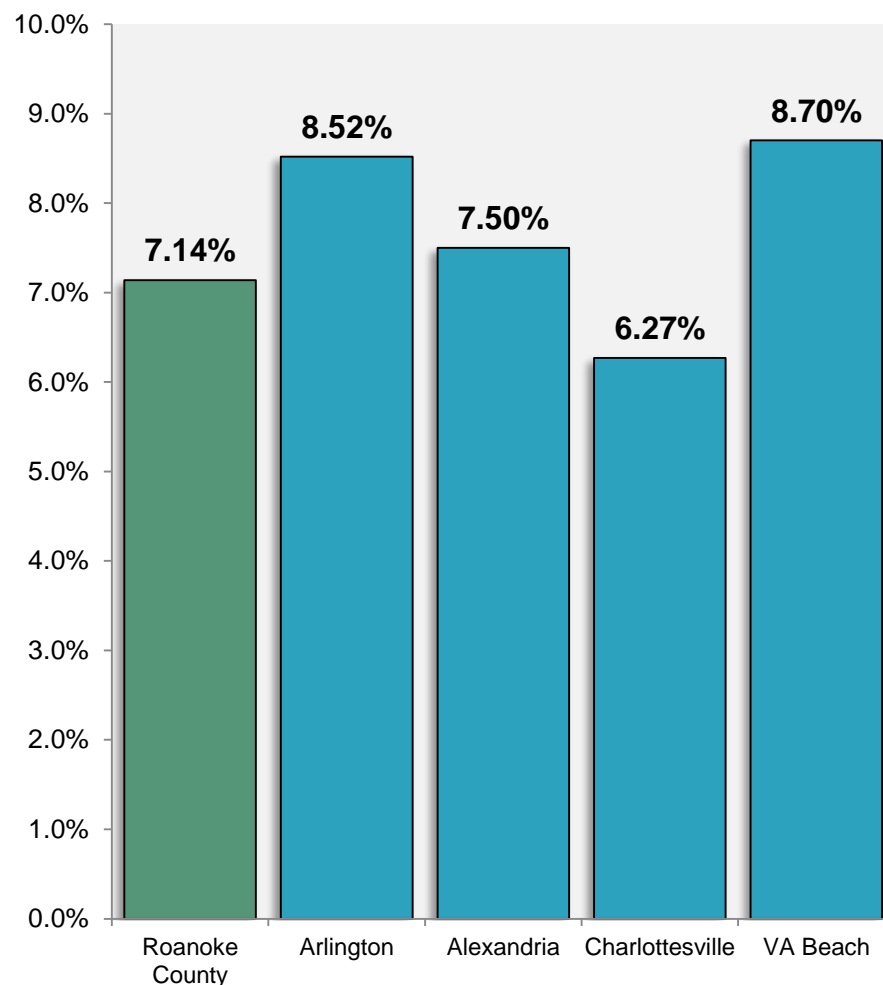
Debt Ratio Comparison to AAA Rated Localities

From 2015 Comprehensive Annual Financial Reports

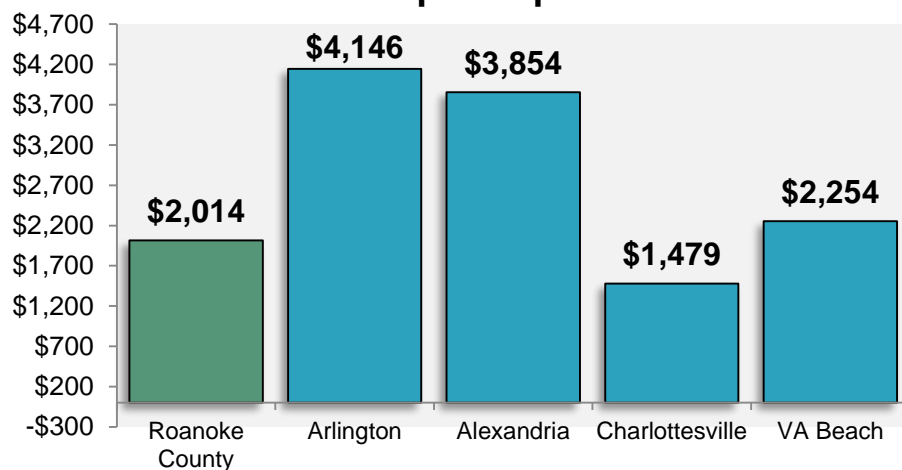
Debt as a % of Taxable Assessed Value



Debt Service as a % of General Government Expenditures



Debt per Capita



NEXT STEPS

Next Steps

- **The County Administrator's Proposed FY 2017 – FY 2026 CIP will be reviewed and discussed by the Board of Supervisors, with adoption of the 10-year plan scheduled for May 24, 2016**
- **The CIP is posted on the County's website at:**
<http://roanokecountyva.gov> – Management & Budget
- **General Fund Transfer and Additional Operating Impacts will be considered as part of the County Administrator's FY2017 Proposed Operating Budget**
 - Equipment (Vehicles and Heavy Equipment) will be included as part of the proposed Operating Budget
- **Changes to the County Administrator's Proposed CIP through budget adoption will be communicated to the Board of Supervisors**

QUESTIONS AND COMMENTS



<http://roanokecountyva.gov>